



# STATE OF IOWA

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DEPARTMENT OF HUMAN SERVICES  
CHARLES J. KROGMEIER, DIRECTOR

## INFORMATIONAL LETTER NO. 912

**DATE:** June 1, 2010

**TO:** Iowa Medicaid Providers Billing on CMS 1500 Claim Forms

**ISSUED BY:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**RE:** Implementation of National Correct Coding Initiative and Compliance with CPT, AMA, and National Coding Guidelines

**EFFECTIVE:** July 1, 2010

This letter is to inform you of the implementation of the enhanced claims editing including NCCI edits at the Iowa Medicaid Enterprise. Beginning July 1, 2010, all CMS 1500 claims processed by Iowa Medicaid will be subjected to the editing described in the previous ILs No. 875 and 882, regardless of the date of service.

Upon implementation, all providers whose claims are adjudicated according to the enhanced prospective editing will have access to a web portal that can be found at <https://secureapp.dhs.state.ia.us/imp/review/bloodhound.aspx>. You will only need your NPI and the TCN to view the description of the edit found on the remittance advice.

Since December of 2009, the IME has been alerting providers of our implementation of the National Correct Coding Initiative (NCCI) editing and other Current Procedural Terminology (CPT), American Medical Association (AMA), and national coding guidelines through our website, remittance advice comments and Informational Letters (IL) No. 875 and 882. Editing in addition to that described in the aforementioned ILs will include:

**Global Surgery Procedure Edits-** As indicated in chapter 12 of the Medicare Claims Processing Manual the global surgery package includes “All additional medical or surgical services required of the surgeon during the postoperative period of the surgery because of complications which do not require additional trips to the operating room”. Any procedure performed by the same surgeon, during the post operative period of another procedure must have a modifier appended to indicate if it is staged, related or unrelated to the original procedure performed. Iowa Medicaid policy on the use of the 78 modifier will vary from our local Medicare carrier in that we will allow for use of this modifier on ANY procedural CPT code. Use of this modifier will NOT be limited to codes with 010 and 090 global surgery periods.

**National Coverage Determinations (NCD)** – CMS sets national coverage policy for diagnostic laboratory tests and the diagnoses required to determine medical necessity. It is recommended that you code your diagnosis to the highest level of specificity and avoid using general diagnosis codes when possible.

**Local Coverage Determinations (LCD)** – CMS regional carriers have their own coverage policies for surgeries and procedures. Iowa Medicaid may utilize our local carriers LCDs in determining medical necessity for certain procedures. It is recommended that you code your diagnosis to the highest level of specificity and avoid using general diagnosis codes when possible.

**Multiple Units** – As indicated in previous ILs, we will be editing claims where multiple units are being billed on the same date of service. We will be using many resources, including AMA, CPT, CMS and professional medical association recommendations in determining the codes and quantity of units to be edited against. As such, it will be necessary for you to append the appropriate modifier to indicate the rationale for billing of additional units whenever more than 1 unit of any code is billed. When a CPT code has a Medicare Physician Fee Schedule (MPFS) bilateral indicator of “1” or “3”, and the procedure was performed bilaterally, the procedure code should be reported on one line, with one unit of service and the 50 modifier appended. The use of the 50 modifier will not be allowed on codes with a MPFS bilateral indicator of anything other than “1” or “3”.

Our policy on use of the 22 modifier, when units are exceeded, has changed. Effective 7/1/2010, providers should use modifier 51, instead of modifier 22, when exceeding the IME units on CPT codes. As indicated in IL No. 692, modifier GD should continue to be used when exceeding Iowa Medicaid maximum units on HCPCS codes. The Iowa Medicaid maximum units for all codes with a MPFS multiple surgery indicator of “2” or “3” will be reduced to 1. The Iowa Medicaid maximum units for all other codes will be based upon what has been determined to be the necessary amounts that would normally be billed. As a reminder, when units exceed the Iowa Medicaid max units, documentation and/or modifiers that support the medical necessity for the total number of units billed should be submitted.

Our system has been updated to allow for recognition of up to 4 modifiers per line item. Payment modifiers should always be placed before informational modifiers. The 59 modifier should only be used when there is no other CCI modifier that best explains the circumstances. The appropriate criteria for use of a modifier must be met. Modifiers should NOT be appended for the sole purpose of bypassing an edit. When it is necessary to report more than 4 modifiers on a given line, the 99 modifier should be used. The 1<sup>st</sup> through 3<sup>rd</sup> modifier fields should contain specific modifiers and the 99 modifier should be placed in the 4<sup>th</sup> modifier field. All other additional modifiers, not shown in fields 1-4, should be listed in field 19 on the CMS 1500 claim form.

Additional information regarding the National Correct Coding Initiative can be found at, <http://www.cms.hhs.gov/NationalCorrectCodInitEd/>. Also, please refer to the WPS Medicare website at, <http://www.wpsmedicare.com/j5macpartb/training/resources/modifiers> or the CMS website at, <http://www.cms.hhs.gov/manuals/downloads/clm104c12.pdf> for further information relating to the appropriate use of the modifiers. If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909 or locally (in Des Moines) at 256-4609, or e-mail at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).